January 17, 2014
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Partner, Senior Portfolio Manager

Todd Large Cap Intrinsic Value Review

	4Q 2013	1 Year	3 Year*	5 Year*	7 Year*
Large Cap Intrinsic Value (Gross)	11.43%	32.25%	15.60%	17.19%	6.51%
(Net)	11.27%	31.46%	14.91%	16.48%	5.87%
S&P 500	10.51%	32.39%	16.18%	17.94%	6.13%
Russell 1000 Value	10.01%	32.53%	16.06%	16.67%	4.52%

* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information*

The LCIV posted stronger returns than the S&P 500 and Russell 1000 Value index during the quarter. Year-to-date gross returns are fractionally behind the S&P 500 and Russell 1000 Value, and have caught up from the underperformance of early this year. Given the low turnover, larger capitalization nature of our investment style, we are pleased with the results.

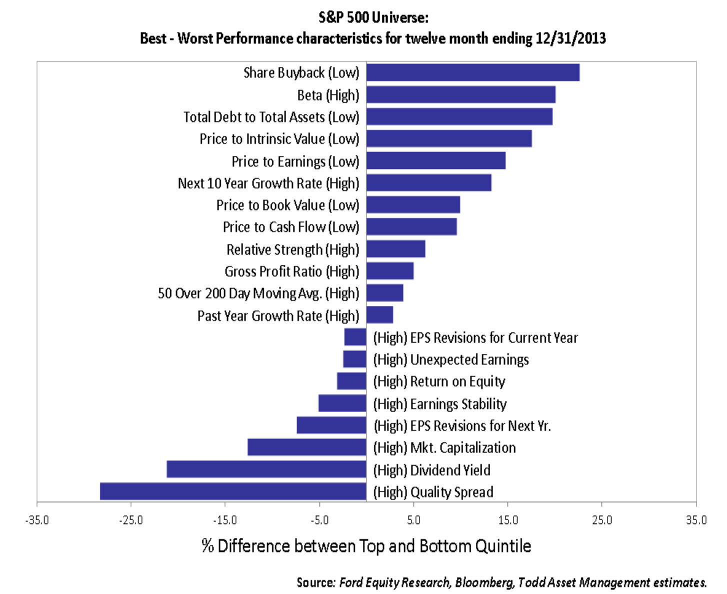
The fourth quarter will likely be remembered as "that time they shut the government and nobody cared." It may feel like ancient history, but early October was when the shutdown debate was raging. As the quarter wore on, we found that politicians *can* compromise, and worries about debt defaults were misguided. The shutdown ended with a Congressional compromise agreement on October 16. Congress also approved a budget framework in mid-December that should lead to less contentious relations between the opposing parties for the next two years.

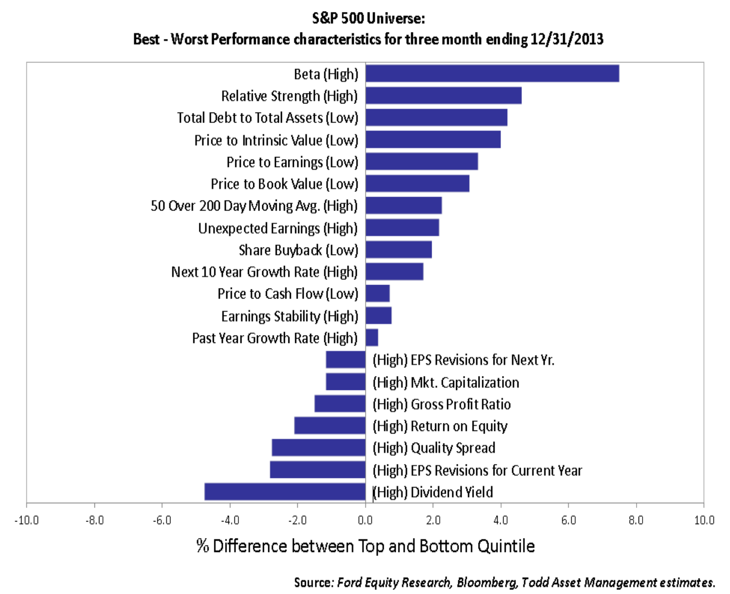
The economy entered the quarter a little soggy, but showed continued progress as the quarter wore on. October non-farm payrolls (reported in early November) were much higher than expected, and followed by stronger results for November as well. We saw a disappointing number for December, but unemployment claims remain low and the unemployment rate is now well below 7%. In all, the economy feels like it is on track for a fairly durable recovery.

Bond rates rose as the Fed began to taper off their bond purchase program in December. This is a mixed blessing. We've found that the stock market has liked the bond purchase programs over the past couple of years, though it could successfully transition to no bond purchases if investors think we have a self-sustaining recovery. That is a key question to answer in 2014. Meanwhile, we see early signs that investors are warming up towards stock purchases as they begin selling off the bonds that were purchased over the past five years. We think this trend continues as bond rates move higher over 2014.

We believe the stock market still offers good opportunities for capital appreciation, though we acknowledge that a 32% gain last year probably recognizes some of the potential positives. We recently wrote a piece titled "The Case for S&P 2500" detailing our belief that we are now in a secular bull market that should last for some time to come. It is available by clicking the link above or on our website (www.toddasset.com). We see pent up demand, contained inflation and a general absence of economic excesses in most developed markets and an emerging market middle class driving demand growth. That leads us to expect a continued durable recovery, which translates into higher stock markets worldwide. When you see profit taking at some point this year, it is likely a buying opportunity and not the beginning of a 2000 or 2008 type pullback.

We present our customary charts on what factors have been helping and hurting performance for stocks below. These charts look very similar to what we have seen for most of the year. Investors preferred low quality stocks with high betas and low valuations. Any emphasis on Quality, Larger Market Capitalization or Dividends has been severely penalized. Our style seeks higher quality stocks with better earnings stability and despite that we outperformed for the quarter and essentially matched the market for the year. Our focus on combining attractive valuations with positive fundamental factors and market recognition has allowed this to occur. We are watching the market reaction to the reduction in bond purchases, and our early read is that the market is starting to favor our style as a result of this. If investors do not have the "Fed Put" in place, then better companies with attractive valuations and predictable earnings should benefit.





Examining the contribution to portfolio returns, we found similarities between what helped us and hurt us during the past quarter when compared to both the S&P and the Russell 1000 Value. Our underweight in Telecommunications and Utilities versus both indexes helped performance, as did our stock selections in Financials and Health Care. Our energy and Consumer Staples exposures hindered performance as our selections within those groups lagged their counterparts.

The S&P Financial sector performed in line with the market during the quarter. However, our stock selections were significantly better than the market, returning almost 15%. Ameriprise and Aflac were our two best performers for the quarter, and continue to have solid fundamental prospects in our opinion. We continue to think low funding rates, higher lending rates and a new capital spending cycle should benefit this group. Additionally, higher long term rates are a plus for insurance companies.

While the S&P Healthcare Sector was also a laggard versus the indexes, we found our selections within the sector provided our portfolio upside compared to the market. Most of our medical device and drug distribution companies did very well in the quarter, led by McKesson, which announced a strategic acquisition in Europe that should add to their growth prospects. In general, it appears to us that the Affordable Care Act is being discounted in a positive manner by the market for these groups. So far, the large cap Pharma companies seem to be benefitting less from this shift in thinking.

We remain overweighted versus the indexes in the Industrials Sector. This overweight helped us, because the Industrials were the best performing sector within both the S&P and Russell 1000 Value Indexes. Our stocks actually trailed the sector returns, but still outperformed the market, led by United Rentals, a midsized construction equipment rental company. Norfolk Southern also performed very well in the quarter.

Technology remains a sore subject for us. While our stock picks beat the overall indexes, we still trailed the sector returns by a small margin. Although we had excellent returns from our Hewlett Packard and Google positions, Cisco, IBM and EMC announced disappointing results and significantly lagged the market.

Overall, our top five contributors to performance were United Rentals, McKesson, Ameriprise, Google and Time Warner Cable. Time Warner Cable rose on takeover speculation during the quarter. The five laggards were Stanley Black and Decker, Seadrill, Cisco Systems, Yum! Brands and IBM. We sold Yum! Brands after their disappointment during the quarter but continue to hold the other positions. Stanley Black and Decker offered disappointing guidance, but we still think a construction recovery is unfolding. Seadrill has declined as deteriorating pricing concerns arose. We still expect excellent demand for deepwater rigs though.

After underperforming early this year, our LCIV portfolio has staged a recovery through year end. We believe the market is interpreting the end of the Fed Bond Buying program as a positive for our style of investment. As conviction grows that the economy is in a recovery that does not need special support from the Federal Reserve, our sense is that fundamentals will matter again. We feel the portfolio could be positioned well for such a development.

As always, we are here to assist you. If you need any additional information, please feel free to contact any of us.

Jack White, CFA   Curt Scott, CFA   Jack Holden, CFA
Todd Asset Management LLC
1-17-2014
S&P 500 – 1838
Russell 1000 Value - 923

Refer to Performance Disclosure on the following page for more information on the performance numbers presented. These notes are an integral part of this letter and should not be reproduced or duplicated without these notes.

TODD ASSET MANAGEMENT LLC
LARGE CAP INTRINSIC VALUE COMPOSITE DISCLOSURE

Past performance does not provide any guarantee of future performance, and one should not rely on the composite performance as an indication of future performance. Investment return and principal value of an investment will fluctuate so that the value of the account may be worth more or less than the original invested cost.

Specific stocks discussed in this presentation are included to help demonstrate the investment process or as a review of the Composite's quarterly results and are not and were not recommendations for purchase or sale by investors. All or some of the specific stocks mentioned may have been purchased or sold by accounts within the Composite during the period, or since the period, and may be purchased or sold in the future. Investors should not construe the Composite's performance or any security as predictive of future results. A complete listing of the holdings as of the period end is available upon request.

Todd Asset Management LLC ("TAM") is a registered investment adviser. The performance presented represents a composite of tax-exempt fully discretionary intrinsic value accounts, invested primarily in large cap domestic equity securities with the objective to seek capital appreciation. This goal is pursued by investing in a diversified portfolio of equity securities that TAM believes are trading at a discount to their intrinsic value.

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC began operations on June 1, 1998 as Veredus Asset Management LLC (VAM). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA). TIA (and its predecessors) was founded in 1967 by Bosworth M. Todd. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM). On February 28, 2013, TVAM redeemed ownership units held by individuals who supported the growth products founded under VAM, and changed its name to Todd Asset Management LLC. The firm continues to offer the same products and strategies managed by the same individuals and process founded under TIA

The Large Cap Intrinsic Value Composite contains fully discretionary, tax-exempt accounts that use either the S&P 500 Index or Russell 1000 Value Index as the benchmark. Prior to April 1, 2010, this composite was known as the Relative Value Equity Composite; no changes in the strategy were made in conjunction with the name change. All fee-paying, fully discretionary portfolios under our management are included in a composite. Accounts are eligible for inclusion in the composite at the beginning of the first calendar quarter after the month of initial funding and upon being fully invested.

TAM claims compliance with the Global Investment Performance Standards (GIPS®). The Firm has been verified for the period January 1, 2008 through September 30, 2013 by Ashland Partners & Company LLP and for the period July 1, 1989 through December 31, 2007 by a previous verifier. TIA's compliance with the GIPS® standards has been verified for the period January 1, 1993 through April 30, 2009 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Large Cap Intrinsic Value Composite for the period January 1, 2011 through September 30, 2013. To receive a complete list and description of TAM composites and/or a full disclosure presentation which complies with the GIPS® standards, please contact TAM at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or contact us through our Web site at www.toddasset.com

The performance information is presented on a trade date basis, both gross and net of management fees and includes the reinvestment of all income. Net of fee performance was calculated using the highest all inclusive annual management fee of .60% applied monthly. Prior to September 2001, the highest management fee applied to the composite was .50%. The currency used to calculate and express performance is U.S. dollars. All cash reserves and equivalents have been included in the performance.

The composite performance has been compared to the following benchmarks (all shown with dividends reinvested):

S&P 500 Index is a widely recognized index of market activity based on the aggregate performance of a selected unmanaged portfolio of publicly traded common stocks. The performance data includes reinvested dividends and was supplied by Standard & Poor's. It is included to indicate the effect of general market conditions.

Russell 1000 Value Index is a widely recognized index of market activity based on the aggregate performance of common stocks from the Russell 1000 Index, with lower price-to-book ratios and lower forecasted growth values. The performance data was supplied by Frank Russell Trust Company.